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September 8, 2003

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Boston Edison Company d/b/a/ NSTAR Electric, D.T.E. 02-80A

Dear Secretary Cottrell:

Enclosed for filing are: (1) the Joint Motion for Approval of Settlement Agreement; and (2) the Settlement Agreement entered into by Boston Edison Company (the "Company") and the Attorney General (the "Settling Parties) in the above-referenced matter. Also enclosed is a Certificate of Service.

The Settlement Agreement is intended to resolve all issues in this case relating to the Company's reconciliation of costs and revenues for the years 2002. As described in the Settlement Agreement, it shall be deemed withdrawn if not approved in its entirety by the Department by October 6, 2003.

If the Department has any questions regarding the terms of the Settlement Agreement or wishes additional information, please contact Joseph Rogers or Judith Laster, Assistant Attorneys General or me.

Thank you for your attention to this matter.

Sincerely,

Robert N. Werlin (DOSR)

Robert N. Werlin

Enclosures

cc: William H. Stevens, Hearing Officer
Service List

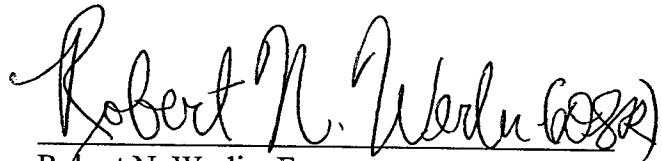
COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Boston Edison Company d/b/a NSTAR Electric)
)
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D.T.E. 02-80A

CERTIFICATE OF SERVICE

I certify that I have this day served the foregoing document upon the Department of Telecommunications and parties of record in accordance with the requirements of 220 C.M.R. 1.05 (Department's Rules of Practice and Procedures).



Robert N. Werlin, Esq.
Keegan, Werlin & Pabian, LLP
265 Franklin Street
Boston, Massachusetts 02110
(617) 951-1400

Dated: September 8, 2003

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Boston Edison Company d/b/a NSTAR Electric) D.T.E. 02-80A

)

JOINT MOTION FOR APPROVAL OF SETTLEMENT AGREEMENT

Boston Edison Company d/b/a NSTAR Electric (the "Company") and the Attorney General of Massachusetts (the "Attorney General") (collectively, the "Settling Parties") jointly move, pursuant to 220 C.M.R. § 1.04(5), for Department of Telecommunications and Energy (the "Department") approval of the Settlement Agreement (the "Settlement Agreement") filed herewith. In addition, the Settling Parties move the Department to enter into evidence the exhibits filed in this proceeding and listed on Appendix A of the Settlement Agreement. The Settlement Agreement seeks to resolve issues relating to the reconciliation of costs and revenues in conjunction with the Company's 2002 Transition Charge filing.

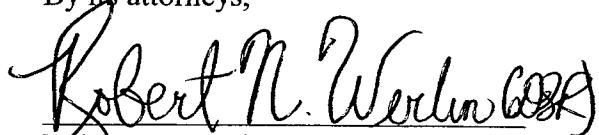
This Settlement Agreement is conditioned on approval in its entirety by the Department and on the further condition that, if the Department does not approve the Settlement Agreement in its entirety by October 6, 2003, it shall be deemed withdrawn.

WHEREFORE, the Settling Parties request that the Department grant this Joint Motion for Approval of Settlement Agreement and enter into evidence the exhibits listed in Appendix A of the Settlement Agreement on or before October 6, 2003.

Respectfully Submitted,

BOSTON EDISON COMPANY
d/b/a NSTAR Electric

By its attorneys,



Robert N. Werlin
David S. Rosenzweig
Keegan, Werlin & Pabian, LLP
21 Custom House Street
Boston, MA 02110

ATTORNEY GENERAL OF
MASSACHUSETTS



Joseph Rogers
Judith Laster
Assistant Attorneys General
Regulated Industries Division
Office of the Attorney General
200 Portland Street
Boston, MA 02114

Dated: September 8, 2003

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Boston Edison Company d/b/a NSTAR Electric)
 D.T.E. 02-80A
)

SETTLEMENT AGREEMENT

Boston Edison Company d/b/a NSTAR Electric (the "Company") and the Attorney General of Massachusetts (the "Attorney General") (collectively, the "Settling Parties") agree, subject to approval by the Department of Telecommunications and Energy (the "Department"), to resolve certain issues relating to this proceeding.

ARTICLE 1

INTRODUCTION

- 1.1 On July 8, 1997, the Attorney General, the Company and other interested parties submitted a restructuring settlement agreement (the "Restructuring Settlement") for approval by the Department. After the enactment of the Electric Restructuring Act, Chapter 164 of the Acts of 1997, on January 28, 1998, the Department determined that the Restructuring Settlement is consistent with or substantially complies with the provisions of the Restructuring Act. Boston Edison Company, D.P.U./D.T.E. 96-23 (1998).
- 1.2 On December 5, 2002, the Company filed its fifth reconciliation filing with the Department, pursuant to the Restructuring Settlement (the "Filing"). The Filing also included tariffs seeking Department approval of charges for Standard Offer

Service, Default Service, Transmission Service, Demand Side Management, Renewables and Distribution Service for effect January 1, 2003.

- 1.3 On February 24, 2003, the Company filed supplemental testimony and exhibits to update the Filing to reflect actual data through December 31, 2002.
- 1.4 On various dates, the Company filed responses to information requests issued by the Department concerning the Company's Filing and related updates to the Filing. A listing of all exhibits filed in this proceeding, including all responses to information requests, is attached as Appendix A.
- 1.5 This Settlement Agreement is intended to resolve all issues relating to the reconciliation of costs and revenues for the calendar year 2002 as follows:

ARTICLE 2

TERMS OF AGREEMENT

- 2.1 The Settling Parties agree that the amount of the reconciliation of revenues and costs for the year 2002 shall be as set forth in Exhibit BEC-JFL-1 (Settlement) and Exhibit BEC-RAP-1 (Settlement), attached and incorporated by reference in this Settlement Agreement.
- 2.2 Exhibit BEC-JFL-1 (Settlement) and Exhibit BEC-RAP-1 (Settlement) differ from Exhibit BEC-JFL-1 (Supp) and Exhibit BEC-RAP-1 (Supp), filed on February 24, 2003, as follows:
 - (a) the Default Service deferral set forth on Exhibit BEC-RAP-1 (Settlement) pages 1 and 3, is reduced by \$368,728 to incorporate the net cost impact relating to the class-action suit in Dwyer, et al. v. NSTAR Electric & Gs Corporation, et al., Civil Action No. 01-

1817-C (Suffolk Superior Court), involving whether certain customers should have been receiving Standard Offer Service rather than Default Service. The adjustment to the 2002 Default Service Deferral Balance is the full unmitigated cost plus carrying charges borne by Default Service customers resulting from the reclassification of customers who were categorized inappropriately as Default Service customers. The adjustment amount is based on the Company's retroactive reallocation of the vast majority of the misclassified customers' load during the ISO settlement process. Had the reallocation not been possible, the amount of the adjustment would have been significantly greater.

- (b) the Transition Charge over-recovery (*i.e.*, the amount to be returned to customers) for year-end 2002 set forth on Exhibit BEC-JFL-1 (Supp), page 1, is increased by \$389,000 to correct for an error in the spreadsheet used to calculate the incentive bonus set forth on Exhibit BEC-JFL-1 (Supp), page 5. See Exhibit DTE-4-5.

ARTICLE 3

CONDITIONS

- 3.1 This Settlement Agreement shall not be deemed in any respect to constitute an admission by any party that any allegation or contention in this proceeding is true or false. Except as specified in this Settlement Agreement, the entry of an order by the Department approving the Settlement Agreement shall not in any respect

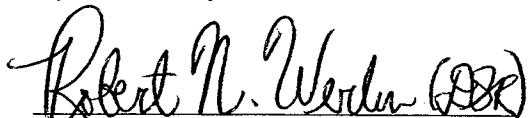
constitute a determination by the Department as to the merits of any other issue raised in this proceeding.

- 3.2 The making of this Settlement Agreement establishes no principles and shall not be deemed to foreclose any party from making any contention in any future proceeding or investigation, except as to those issues and proceedings that are stated in this Settlement Agreement as being resolved and terminated by approval of this Settlement Agreement.
- 3.3 This Settlement Agreement is the product of settlement negotiations. The Settling Parties agree that the content of those negotiations (including any workpapers or documents produced in connection with the negotiations) are confidential, that all offers of settlement are without prejudice to the position of any party or participant presenting such offer or participating in such discussion, and that they will not use the content of those negotiations in any manner in these or other proceedings involving one or more of the parties to this Settlement Agreement, or otherwise.
- 3.4 The provisions of this Settlement Agreement are not severable. This Settlement Agreement is conditioned on its approval in full by the Department.
- 3.5 If the Department does not approve the Settlement Agreement in its entirety by October 6, 2003, it shall be deemed to be withdrawn and shall not constitute a part of the record in any proceeding or used for any other purpose.
- 3.6 The Department shall have continuing jurisdiction to enforce the terms of this Settlement Agreement.

The signatories listed below represent that they are authorized on behalf of their principals to enter into this Settlement Agreement.

BOSTON EDISON COMPANY
d/b/a NSTAR Electric

By its attorneys,



Robert N. Werlin
David S. Rosenzweig
Keegan, Werlin & Pabian, LLP
21 Custom House Street
Boston, MA 02110

ATTORNEY GENERAL OF
MASSACHUSETTS



Joseph Rogers
Judith Laster
Assistant Attorneys General
Regulated Industries Division
Office of the Attorney General
200 Portland Street
Boston, MA 02114

Dated: September 8, 2003

D.T.E. 02-80A
Boston Edison Company
2002 Transition Charge True-up
Exhibit List

<u>Prefiled Testimony and Exhibits</u>	<u>Description</u>
Exhibit NSTAR-JFL	➤ Testimony of Joseph F. Lanzel
Exhibit BEC-JFL	➤ Supplemental Direct Testimony of Joseph F. Lanzel
Exhibit BEC-JFL-1	➤ Boston Edison Company Transition Charge Calculation
Exhibit BEC-JFL-1 (Supp)	➤ Boston Edison Company Transition Charge Calculation
Exhibit BEC-JFL-2	➤ Boston Edison Company Revenue Credits & Damages, Costs, or Net Recoveries from Claims
Exhibit BEC-JFL-2 (Supp)	➤ Boston Edison Company Revenue Credits & Damages, Costs, or Net Recoveries from Claims
Exhibit BEC-JFL-3	➤ Boston Edison Company Transmission Rate
Exhibit BEC-JFL-3 (Supp)	➤ Boston Edison Company Transmission Rate
Exhibit NSTAR-RAP	➤ Testimony of Rose Ann Pelletier
Exhibit BEC-RAP	➤ Supplemental Direct Testimony of Rose Ann Pelletier
Exhibit BEC-RAP-1	➤ Boston Edison Company Standard Offer and Default Service Reconciliation for 2002
Exhibit BEC-RAP-1 (Supp)	➤ Boston Edison Company Standard Offer and Default Service Reconciliation for 2002
Exhibit BEC-RAP-2	➤ Boston Edison Company Standard Offer and Default Service Reconciliation for 2003
Exhibit BEC-RAP-2 (Supp)	➤ Boston Edison Company Standard Offer and Default Service Reconciliation for 2003
Exhibit NSTAR-HCL	➤ Testimony of Henry C. LaMontagne
Exhibit BEC-HCL-1	➤ Boston Edison Company Proposed Tariffs – Redlined
Exhibit BEC-HCL-2	➤ Boston Edison Company Summary of Revenues by Rate Schedule

D.T.E. 02-80A
Boston Edison Company
2002 Transition Charge True-up
Exhibit List

Prefiled Testimony and Exhibits

	<u>Description</u>
Exhibit BEC-HCL-3	➤ Boston Edison Company Pricing Models and Revenue Proofs
Exhibit BEC-HCL-4	➤ Boston Edison Company Percentage Rate Reductions/Rate Comparisons
Exhibit BEC-HCL-5	➤ Boston Edison Company Summary of Unbundled Rate Components
Exhibit BEC-HCL-6	➤ Boston Edison Company Transition Rate Adjustments
Exhibit BEC-HCL-7	➤ Boston Edison Company Derivation of the Inflation Factor
Exhibit BEC-HCL-8	➤ Boston Edison Company Typical Bill Calculations

Response to Information Requests

DTE-1-1	DTE-3-5	DTE-4-2
DTE-2-1	DTE-3-6	DTE-4-3
DTE-2-2	DTE-3-7	DTE-4-4
DTE-2-3	DTE-3-8	DTE-4-5
DTE-2-4	DTE-3-9	DTE-4-6
DTE-2-4 (Replacement)	DTE-3-10	DTE-5-1
DTE-3-1	DTE-3-11	DTE-5-2
DTE-3-2	DTE-3-12	DTE-5-3
DTE-3-3	DTE-3-13	DTE-5-4
DTE-3-3 (Revised)	DTE-3-14	DTE-5-5
DTE-3-4 (Revised)	DTE-4-1	DTE-5-6

Settlement Exhibits

Exhibit BEC-JFL-1 (Settlement)
Exhibit BEC-RAP-1 (Settlement)

D.T.E. 02-80A
Exhibit BEC-JFL-1 (Settlement)
Page 1 of 5

Boston Edison Company
Transition Charge Calculation
\$ in Millions

Year Col. A	GWH Delivered Col. B	Transition Charge Col. C	Revenues for Delivered GWH Col. D		Fixed Component Col. E	Total Variable Component Col. F	Mitigation Incentive Col. G	Prior Year Deferral Col. H	Interest on Deferral Col. I	Expenses Col. J	(Over) Under Collection Col. K
			2001	2002							
2003	14,669	1,840	269,908	228,254	\$ 106,138	\$ 106,594	\$ 14,427	\$ (36,386)	\$ (3,959)	\$ 186,815	\$ (36,385)
2004	14,962	1,740	260,288	96,719	149,373	9,643	4,107	0,447	-	260,288	-
2005	15,262	2,072	316,292	91,872	219,347	5,073	-	-	-	316,292	-
2006	15,567	2,023	314,986	87,222	223,341	4,423	-	-	-	314,986	-
2007	15,878	1,745	277,051	82,339	189,533	5,179	-	-	-	277,051	-
2008	16,196	1,640	265,621	77,756	184,045	3,820	-	-	-	265,621	-
2009	16,520	1,587	262,109	72,833	186,509	2,767	-	-	-	262,109	-
2010	16,850	1,250	210,610	15,174	195,436	-	-	-	-	210,610	-
2011	17,187	1,001	172,044	-	172,044	-	-	-	-	172,044	-
2012	17,531	0,586	102,808	-	102,808	-	-	-	-	102,808	-
2013	17,881	0,568	101,491	-	101,491	-	-	-	-	101,491	-
2014	18,239	0,330	60,206	-	60,206	-	-	-	-	60,206	-
2015	18,604	0,368	68,471	-	68,471	-	-	-	-	68,471	-
2016	18,976	0,312	59,280	-	59,280	-	-	-	-	59,280	-

Col B 2002 per Page 2; Forecast 2003 sales; years beyond 2003 reflect 2% growth

Col C 2002 per Page 2; 2003 reflects actual tariff in effect; 2004 and later: Col J / Col B

Col D 2002 per Page 2; 2003 Col B * Col C; future years equal to Col J

Col E Exh BEC-JFL-1 (Settlement) Pg 3, Col E

Col F Exh BEC-JFL-1 (Settlement) Pg 4, Col I

Col G Exh BEC-JFL-1 (Settlement) Pg 5, Col E

Col H Col. K prior year

Col I Col. H times 10.88%

Col J Sum Col E thru Col I

Col K Future years equal Col D - Col J

Exhibit BEC-JFL-1 (Settlement)
Page 2 of 5

Boston Edison Company
Actual 2002 Transition Revenues
\$ in Millions

Line	Description	GWH	A/C #	Per Book \$	Total
2002 Transition Billed Revenues:					
1					
2	Residential Transition	4,041,023	440 160	\$ 62,927	
3	Industrial Transition	1,399,261	442 430	22,139	
4	Commercial Transition (includes W/R rate and Special Contracts)	9,110,291	442440/500	143,580	
5	Street Light Transition	146,810	444 060	2,316	
6	Total Billed Revenues	<u>14,697,385</u>		<u>\$ 230,963</u>	
 2002 Transition Unbilled Revenues:					
7					
8	Less: Residential Transition Unbilled @ 12/31/01	(149,749)			
9	Plus: Residential Transition Unbilled @ 12/31/02	119,482	440 162	\$ (0.299)	
10	Less: Industrial Transition Unbilled @ 12/31/01	(81,628)			
11	Plus: Industrial Transition Unbilled @ 12/31/02	65,129	442 435	(0.404)	
12	Less: Commercial Transition Unbilled @ 12/31/01	(355,873)			
13	Plus: Commercial Transition Unbilled @ 12/31/02	<u>283,945</u>	442 505	<u>(2,006)</u>	
14	Total Unbilled Revenues	<u>(118,694)</u>		<u>\$ (2,709)</u>	
15	Total 2002 Transition Revenues	<u>14,578,691</u>	<u>1,566</u>	<u>\$ 228,254</u>	

D.T.E. 02-80A
Exhibit BEC-JFL-1 (Settlement)
 Page 3 of 5

Boston Edison Company
Summary of Transition Charge - Fixed Component
 \$ in Millions

Year Col. A	Securitization Principal		Amort. Col. C	Interest & Expense Col. D	Total (Col. C + Col. D) Col. E
	Col. B	Col. A			
2002	493.566	69,206		36,932	106,138
2003	425.378	68,188		32,519	100,707
2004	356,666	68,712		28,007	96,719
2005	288,206	68,460		23,412	91,872
2006	219,664	68,542		18,680	87,222
2007	151,268	68,396		13,943	82,339
2008	82,660	68,608		9,148	77,756
2009	14,159	68,501		4,332	72,833
2010		14,159		1,016	15,174

Boston Edison Company
 Summary of Transition Charge • Variable Component
 \$ in Millions

Year Col. A	Actual Nuclear Decomm. Col. B	Actual Power Total Obligations Col. C	Actual Power Contracts Market Value Col. D	Net Power Obligation Col. E	Actual Transmission in Support of Remote Generating Units Col. F	Actual Purchased Power Contract Buyouts Col. G	Actual Payments in Lieu of Property Taxes Col. H	Revenue Credits & Damages, Costs, or net Recoveries Col. I	Reversal of Prior Year Rate Design Adjustment		
									Rate Design Col. K	Col. L	Col. M
2002	-	409,929	329,421	80,508	-	-	26,625	-	106,594		
2003	-	371,907	199,374	172,533	-	-	31,653	-	209,115		
2004	-	381,708	272,741	108,967	-	-	44,796	-	149,373		
2005	-	300,288	124,055	176,233	-	-	43,114	-	219,347		
2006	-	304,922	125,951	178,971	-	-	44,370	-	223,341		
2007	-	305,779	120,926	184,853	-	-	4,680	-	189,533		
2008	-	307,188	123,923	183,265	-	-	0,780	-	184,045		
2009	-	312,981	127,252	185,729	-	-	0,780	-	186,509		
2010	-	326,555	131,899	194,656	-	-	0,780	-	195,436		
2011	-	273,098	101,833	171,264	-	-	0,780	-	172,044		
2012	-	169,987	67,569	102,418	-	-	0,390	-	102,808		
2013	-	170,844	69,353	101,491	-	-	-	-	101,491		
2014	-	108,623	48,417	60,206	-	-	-	-	60,206		
2015	-	118,075	49,603	68,471	-	-	-	-	68,471		
2016	-	97,854	38,574	59,280	-	-	-	-	59,280		

Note

- Col. C 2002 BEC-RAP-1 (Settlement), p.5, line 15, 2003 BEC-RAP-2 (Settlement), p.5, line 5, future years unchanged from DTE 00-82
- Col. D 2002 BEC-RAP-1 (Settlement), p.4, line 16, 2003 BEC-RAP-2 (Settlement), p.4, line 6, future years unchanged from DTE 00-82
- Col. E Col C + Col D
- Col. G No Current Buyouts
- Col. I Per BEC-JFL-2 (Supp)
- Col. K DTE 00-82 Settlement Rate Design Adjustment
- Col. L Reversal of Prior Year Rate Design Adjustment (- Prior Year Col. K)
- Col. M Col B + Col E + Col F + Col G + Col H + Col J + Col K + Col L

Boston Edison Company
 Summary of Transition Charge - Incentive
 \$ in Millions

Year Col. A	Base Transition Charge (cents/kWh) Col. B	Cumulative Rolling Average Transition Charge (cents/kWh) Col. C	Bonus Allowed Col. D	Nominal Annual Incremental Bonus Required Col. E	Impact on Transition Charge Col. F
1998	3,085	3,085			
1999	2,626	2,626			
2000	1,818	2,51			
2001	1,331	2,21	40,462	52,269	0.36
2002	1,579	2.09	50,937	14,427	0.10
2003	1,840	2.05	57,844	10,140	0.07
2004	1,741	2.00	64,004	9,643	0.06
2005	2,072	2.01	67,044	5,073	0.03
2006	2,023	2.01	69,530	4,423	0.03
2007	1,745	1.99	72,261	5,179	0.03
2008	1,640	1.95	74,150	3,820	0.02
2009	1,587	1.92	75,433	2,767	0.02

<u>Legend:</u>	Col. B 2002 see Note below; 2003 and later per Page 1 Col. C
	Col. C Cumulative average of current & prior years shown in Col. B
	Col. D For any given year based upon cumulative average transition charge, interpolate bonus from the table below:
	Col. E (Col. D current year - Col. D prior year) * (1 + WACC AT) ⁿ , where n = number of years since 1998 +1, and WACC AT is the weighted cost of capital after-tax equal to 6.61%
	Col. F Col. E / Current year GWH sales, Page 1 Col. B

Note: 2002 Col. B per Page 2 adj for BETG Carrying Charge Adjustment

Assumptions:
 1998 \$ NPV Cumulative Bonus/(Penalty)

Rolling Average Access Charge					
	1998	1999	2000	2001	2002
1.00	\$ 21	\$ 38	\$ 52	\$ 63	\$ 72
1.20	20	36	49	60	68
1.40	19	34	47	57	72
1.60	18	32	44	53	61
1.80	17	31	41	50	58
2.00	16	29	39	47	54
2.20	14	25	34	41	47
2.40	12	21	29	35	40
2.60	10	17	23	28	33
2.80	8	13	18	22	25
3.00	5	10	13	16	18
3.20	3	6	8	10	11
3.40	1	2	3	3	4
3.50	0	0	0	0	0

Boston Edison Company
 Monthly Total Deferral Balance
 Summary
 \$ in Millions

<u>Line</u>	<u>Description</u>	Actual <u>Dec-01</u>	Actual <u>Jan-02</u>	Actual <u>Feb-02</u>	Actual <u>Mar-02</u>	Actual <u>Apr-02</u>	Actual <u>May-02</u>	Actual <u>Jun-02</u>	Actual <u>Jul-02</u>	Actual <u>Aug-02</u>	Actual <u>Sep-02</u>	Actual <u>Oct-02</u>	Actual <u>Nov-02</u>	Actual <u>Dec-02</u>
1	Standard Offer [page 2, line 5]	\$ 0.000	\$ (14,444)	\$ (22,511)	\$ (28,516)	\$ (18,416)	\$ (12,028)	\$ (20,134)	\$ (11,950)	\$ (2,960)	\$ 1,552	\$ 2,657	\$ 4,032	\$ 0,000
2	Default Service [page 3, line 6]	22,814	16,637	16,390	13,817	11,329	7,094	7,742	6,350	7,472	4,625	2,789	2,297	8,288
3	Total Deferral Balance - (Over) / Under	\$22,814	\$ 2,193	\$ (6,120)	\$ (14,699)	\$ (7,087)	\$ (4,934)	\$ (12,392)	\$ (5,600)	\$ 4,512	\$ 6,177	\$ 5,446	\$ 6,329	\$ 8,288

Boston Edison Company
Monthly Standard Offer Deferral Calculation
\$ in Millions

Line	Description	Actual Dec-01	Actual Jan-02	Actual Feb-02	Actual Mar-02	Actual Apr-02	Actual May-02	Actual Jun-02	Actual Jul-02	Actual Aug-02	Actual Sep-02	Actual Oct-02	Actual Nov-02	Actual Dec-02	Total
1	Revenues from Standard Offer [page 7, line 6]	\$ (53,094)	\$ (43,716)	\$ (42,953)	\$ (36,528)	\$ (26,381)	\$ (28,816)	\$ (33,582)	\$ (36,465)	\$ (32,913)	\$ (30,384)	\$ (29,165)	\$ (37,330)	\$ (431,329)	
2	Standard Offer Expense [line 12]	\$ 38,673	\$ 35,709	\$ 37,029	\$ 46,703	\$ 32,818	\$ 20,761	\$ 41,817	\$ 45,479	\$ 37,427	\$ 31,482	\$ 30,530	\$ 33,292	\$ 431,720	
3	Standard Offer Deferral (Over) / Under Recovery	\$ (14,422)	\$ (8,008)	\$ (5,923)	\$ 10,175	\$ 6,437	\$ (8,055)	\$ 8,235	\$ 9,014	\$ 4,514	\$ 1,098	\$ 1,365	\$ (4,038)	\$ 0,391	
4	Interest on SO Deferral Balance [Note]	\$ (0,023)	\$ (0,059)	\$ (0,081)	\$ (0,075)	\$ (0,049)	\$ (0,051)	\$ (0,054)	\$ (0,024)	\$ (0,002)	\$ 0,007	\$ 0,011	\$ 0,006	\$ (0,391)	
5	SO Deferral (Over) / Under Ending Balance	\$ 0,000	\$ (14,444)	\$ (22,511)	\$ (28,516)	\$ (18,416)	\$ (12,028)	\$ (20,134)	\$ (11,990)	\$ (2,980)	\$ 1,552	\$ 2,657	\$ 4,032	\$ 0,000	
6	Standard Offer Expense Detail														
7	NUG Purchases [page 4, line 16]	\$ 29,989	\$ 25,628	\$ 29,249	\$ 28,495	\$ 28,168	\$ 26,342	\$ 27,520	\$ 27,938	\$ 29,040	\$ 27,692	\$ 21,571	\$ 27,791	\$ 329,421	
8	Short Term Market Transactions [page 6, line 6]	\$ 14,259	\$ 14,585	\$ 13,070	\$ 24,636	\$ 9,993	\$ (3,726)	\$ 17,668	\$ 21,658	\$ 11,819	\$ 6,942	\$ 11,759	\$ 8,475	\$ 151,158	
9	Subtotal	\$ 44,248	\$ 40,213	\$ 42,319	\$ 53,132	\$ 38,160	\$ 22,616	\$ 45,208	\$ 49,595	\$ 40,859	\$ 34,634	\$ 33,330	\$ 36,286	\$ 480,579	
10	Wholesale % [page 8, line 10]	12.6%	11.2%	12.5%	12.1%	14.0%	8.2%	7.5%	8.4%	9.1%	8.4%	8.2%	8.4%	8.2%	
11	Wholesale Cost [line 9 * line 10]	\$ 5,575	\$ 4,504	\$ 5,290	\$ 6,429	\$ 5,342	\$ 1,854	\$ 3,391	\$ 4,116	\$ 3,432	\$ 3,152	\$ 2,800	\$ 2,974	\$ 48,859	
12	Standard Offer Expense [line 9 - line 11]	\$ 38,673	\$ 35,709	\$ 37,029	\$ 46,703	\$ 32,818	\$ 20,761	\$ 41,817	\$ 45,479	\$ 37,427	\$ 31,482	\$ 30,530	\$ 33,292	\$ 431,720	

Note:

Interest = [Prior Month line 6 + [Current Month line 4 * 0.5]] * Annual Interest Rate / 12 months
 Annual Interest Rate

Boston Edison Company
Monthly Default Service Deferral Calculation
\$ In Millions

Line	Description	Actual Dec-01	Actual Jan-02	Actual Feb-02	Actual Mar-02	Actual Apr-02	Actual May-02	Actual Jun-02	Actual Jul-02	Actual Aug-02	Actual Sep-02	Actual Oct-02	Actual Nov-02	Actual Dec-02	Total	
1	Revenues from Default Service [page 7, line 12]	\$ (22,895)	\$ (15,890)	\$ (17,461)	\$ (15,234)	\$ (15,695)	\$ (12,414)	\$ (17,708)	\$ (18,027)	\$ (16,763)	\$ (13,907)	\$ (8,656)	\$ (187,726)			
2	Revenues from Default Service Adj [page 7, line 18]	(2,129)													(2,129)	
3	Default Service Expense [line 10]	18,784	15,591	14,839	12,706	11,431	13,038	16,294	19,126	13,897	12,058	12,577	14,999	175,341		
4	Default Service Deferral (Over) Under Recovery	\$ (6,249)	\$ (0,299)	\$ (2,622)	\$ (2,527)	\$ (4,264)	\$ 0,624	\$ (1,414)	\$ 1,099	\$ (2,866)	\$ (1,848)	\$ (0,500)	\$ 6,343	\$ (14,514)		
5	Interest on Default Service Deferral Balance [Note]	0,063	0,053	0,048	0,040	0,029	0,024	0,022	0,019	0,012	0,008	0,008	0,017	0,358		
6	Default Service (Over) Under Ending Balance	\$ 22,814	\$ 16,637	\$ 16,390	\$ 13,817	\$ 11,329	\$ 7,094	\$ 7,742	\$ 6,350	\$ 4,625	\$ 2,789	\$ 2,297	\$ 8,657			
6a	Settlement Default Service (Over) Under Ending Balance														\$ 0,369	
6b	Settlement Default Service (Over) Under Ending Balance														\$ 8,288	
7	Default Service Expense Detail															
8	Default Service Load (gwh)	288,292	254,719	268,146	241,670	224,766	230,202	290,026	336,529	273,389	243,128	250,347	285,741	3,186,956		
9	Market Price (\$/mwh) [line 10 / line 8]	\$ 65,16	\$ 61,21	\$ 55,34	\$ 52,58	\$ 50,86	\$ 56,64	\$ 56,18	\$ 56,83	\$ 50,83	\$ 49,60	\$ 50,24	\$ 52,49			
10	Default Service Expense	\$ 18,784	\$ 15,591	\$ 14,839	\$ 12,706	\$ 11,431	\$ 13,038	\$ 16,294	\$ 19,126	\$ 13,897	\$ 12,058	\$ 12,577	\$ 14,999	\$ 175,341		

Note:

Interest = [Prior Month line 6 + (Current Month line 4 * 0.5)] * Annual Interest Rate / 12 months
 Annual Interest Rate

Boston Edison Company
 Monthly NUG Generation
 GWH

Line	Description	Actual Jan-02	Actual Feb-02	Actual Mar-02	Actual Apr-02	Actual May-02	Actual Jun-02	Actual Jul-02	Actual Aug-02	Actual Sep-02	Actual Oct-02	Actual Nov-02	Actual Dec-02	Total
1	Canal 1	68,021	62,209	53,925	54,451	46,933	60,649	60,514	48,566	84,547	23,747	-	-	563,562
2	Ocean State 1	30,018	26,475	29,623	28,457	22,202	21,433	27,748	23,688	27,721	12,440	8,473	22,946	281,223
3	Ocean State 2	30,344	26,397	26,558	28,672	13,881	17,201	26,704	24,191	26,427	27,737	25,252	16,542	290,306
4	NEA 1	111,064	87,677	105,384	104,286	107,095	99,378	99,332	99,008	109,628	48,778	123,550	1,194,183	
5	NEA 2	69,107	63,497	65,572	64,898	66,637	61,834	61,807	61,601	68,214	30,346	76,881	751,998	
6	Masspower	55,536	27,584	69,142	59,569	65,851	47,942	51,596	63,029	65,764	70,859	72,963	78,672	728,508
7	MBTA Jets 1	0,014	0,071	-	-	-	-	0,110	0,240	0,202	-	-	-	0,705
8	MBTA Jets 2	0,013	0,068	-	-	-	-	0,067	0,107	0,472	0,484	0,065	0,008	1,284
9	Hydro Quebec 1	-	-	-	-	-	-	-	-	-	-	-	-	
10	Hydro Quebec 2	-	-	-	-	-	-	-	-	-	-	-	-	
11	Entergy Nuclear	310,618	282,621	307,465	300,780	311,146	284,092	291,256	307,786	287,604	310,354	-	-	
12	NUG Generation	674,734	576,599	658,070	641,113	633,746	592,665	619,174	628,574	653,363	623,043	485,317	306,680	3,599,899
13	Less: Assumed Line Losses @	6.86%	(46,287)	(39,555)	(45,144)	(43,980)	(43,475)	(40,657)	(42,475)	(43,120)	(44,821)	(42,741)	(33,293)	7,411,669
14	Net GWH Delivered	628,448	537,044	612,926	597,133	590,271	552,008	576,699	585,454	608,543	580,302	452,025	582,377	(508,440)
15	DistCo. Settlement Price (\$/kWh)	\$ 0.04772	\$ 0.04772	\$ 0.04772	\$ 0.04772	\$ 0.04772	\$ 0.04772	\$ 0.04772	\$ 0.04772	\$ 0.04772	\$ 0.04772	\$ 0.04772	\$ 0.04772	
16	Cost of NUG Purchases	\$ 29,989	\$ 25,528	\$ 29,249	\$ 28,495	\$ 28,168	\$ 26,342	\$ 27,520	\$ 27,938	\$ 29,040	\$ 27,692	\$ 21,571	\$ 27,791	\$ 329,421

Boston Edison Company
PPAs Supply Cost
\$ in Millions

Line	Description	Actual Jan-02	Actual Feb-02	Actual Mar-02	Actual Apr-02	Actual May-02	Actual Jun-02	Actual Jul-02	Actual Aug-02	Actual Sep-02	Actual Oct-02	Actual Nov-02	Actual Dec-02	Total
1	Canal 1	\$ 2,600	\$ 2,357	\$ 2,154	\$ 2,166	\$ 2,491	\$ 2,869	\$ 3,009	\$ 2,541	\$ 3,678	\$ 1,448	\$ 0.281	\$ -	\$ 25,593
2	Ocean State 1	1,748	1,558	1,585	1,461	1,088	1,497	1,814	1,568	1,769	1,272	2,285	1,132	18,778
3	Ocean State 2	1,800	1,622	1,590	1,476	0,954	1,397	1,753	1,709	1,758	1,693	1,237	1,464	18,452
4	NEA 1	7,217	6,631	6,848	6,779	6,959	6,458	6,455	6,433	6,434	7,124	3,168	6,991	77,497
5	NEA 2	6,255	5,717	6,036	6,016	6,088	5,624	4,543	4,670	4,641	5,122	2,746	7,090	64,548
6	Masspower	4,943	4,385	5,285	5,076	5,079	4,302	4,229	5,042	5,088	5,535	5,248	5,657	59,869
7	MBTA Jets 1	0,065	0,068	0,061	0,061	0,487	0,055	0,062	0,138	0,071	0,359	0,295	0,146	1,869
8	MBTA Jets 2	0,035	0,024	0,017	0,017	0,017	0,024	0,045	0,102	0,099	0,043	0,031	0,032	0,489
9	Hydro Québec 1	0,114	0,118	0,107	0,111	0,182	0,105	0,110	0,075	0,118	0,115	0,103	0,108	1,366
10	Hydro Québec 2	(4,712)	0,592	0,530	0,541	0,595	0,516	0,535	0,505	0,550	(0,013)	0,480	0,471	0,590
11	HQ Energy Line Usage	(0,182)	(0,218)	(0,219)	(0,193)	(0,239)	(0,053)	(0,628)	(0,649)	(0,671)	(0,115)	(0,124)	(0,069)	(3,361)
12	Energy Nuclear	10,991	11,957	11,697	12,100	11,048	11,327	11,970	11,185	12,070	11,647	11,927	140,000	
13	Connecticut Yankee	0,528	0,353	0,586	0,267	0,220	0,429	0,153	0,361	0,387	0,327	0,368	0,258	4,238
14	MA Yankee	-	-	-	-	-	-	-	-	-	-	-	-	-
15	NUG Supply Cost	\$ 32,493	\$ 34,198	\$ 36,537	\$ 35,476	\$ 36,021	\$ 34,271	\$ 33,407	\$ 34,465	\$ 35,107	\$ 34,979	\$ 27,768	\$ 35,207	\$ 409,929

Boston Edison Company
Monthly Short Term Markets
\$ in Millions

Line	Description	Actual Jan-02	Actual Feb-02	Actual Mar-02	Actual Apr-02	Actual May-02	Actual Jun-02	Actual Jul-02	Actual Aug-02	Actual Sep-02	Actual Oct-02	Actual Nov-02	Actual Dec-02	Total
1	MATEP Cost	\$ (29,867)	\$ (26,248)	\$ (29,038)	\$ (25,626)	\$ (26,039)	\$ (23,213)	\$ (28,376)	\$ (29,446)	\$ (30,799)	\$ (23,815)	\$ (18,104)	\$ (22,771)	\$ (313,343)
2	Short-Term Sales	44,113	40,822	42,125	50,292	36,031	19,454	46,050	51,090	42,621	30,752	29,870	31,246	464,437
3	Short Term SO													
4	Miscellaneous Transmission	0.013	0.011	(0.017)	-	0.001	0.033	0.013	(0.003)	0.013	(0.006)	0.006	(0.001)	0.065
5	Total ST Market Transaction Cost	\$ 14,259	\$ 14,585	\$ 13,070	\$ 24,636	\$ 9,993	\$ (3,726)	\$ 17,688	\$ 21,658	\$ 11,819	\$ 6,942	\$ 11,759	\$ 8,475	\$ 151,158
6	GWH													
7	MATEP													
8	Short-Term Sales													
9	Short Term SO													
10	Miscellaneous Transmission													
11	Total	219,019	274,060	141,762	437,524	79,990	(179,466)	211,749	286,972	95,677	50,978	187,218	96,594	1,902,097
12	Line loss factor	6,886%	6,886%	6,886%	6,886%	6,886%	6,886%	6,886%	6,886%	6,886%	6,886%	6,886%	6,886%	
13	S-T Net GWH	203,994	255,259	132,056	407,510	74,503	(167,155)	197,223	267,286	89,113	47,481	174,375	89,998	1,771,613

Boston Edison Company
 Standard Offer & Default Service Revenue
 \$ in Millions

Line	Description	Account	Actual Jan-02	Actual Feb-02	Actual Mar-02	Actual Apr-02	Actual May-02	Actual Jun-02	Actual Jul-02	Actual Aug-02	Actual Sep-02	Actual Oct-02	Actual Nov-02	Actual Dec-02	Total
<u>Standard Offer Revenues</u>															
1	Residential	440170	\$ 19,760	\$ 16,527	\$ 15,232	\$ 12,920	\$ 9,258	\$ 9,426	\$ 13,461	\$ 14,240	\$ 12,597	\$ 10,882	\$ 13,188	\$ 158,414	
2	Commercial	442450	28,353	22,796	23,482	19,927	14,460	16,278	17,385	19,295	17,205	16,745	15,651	20,600	232,176
3	Industrial	442460	4,505	3,778	3,801	3,145	2,348	2,539	2,732	2,430	2,680	2,312	2,110	3,007	35,387
4	MWRA	442470	-	-	-	-	-	-	-	-	-	-	-	0,024	0,024
5	Street Lighting	444070	0,476	0,615	0,437	0,536	0,316	0,574	0,005	0,500	0,431	0,445	0,481	0,512	5,328
6	Total Standard Offer Revenues		\$ 53,094	\$ 43,716	\$ 42,953	\$ 36,528	\$ 26,381	\$ 28,816	\$ 33,582	\$ 36,465	\$ 32,913	\$ 30,384	\$ 29,165	\$ 37,330	\$ 431,329
7	Default Service Revenues														
8	Residential	440180	\$ 6,989	\$ 5,921	\$ 6,111	\$ 5,346	\$ 4,529	\$ 4,455	\$ 6,140	\$ 5,962	\$ 5,678	\$ 5,021	\$ 5,318	\$ 6,562	\$ 68,052
9	Commercial	442480	14,514	8,878	10,543	9,141	10,010	7,238	10,260	10,858	9,757	8,119	7,159	2,271	108,749
10	Industrial	442490	1,320	1,057	0,766	0,723	1,123	0,701	1,277	1,191	1,305	0,744	0,571	(0,233)	10,544
11	Street Lighting	444100	0,071	0,034	0,041	0,024	0,033	0,020	0,031	0,016	0,023	0,023	0,029	0,036	0,381
12	Total Default Service Revenues		\$ 22,895	\$ 15,890	\$ 17,461	\$ 15,234	\$ 15,695	\$ 12,414	\$ 17,708	\$ 18,027	\$ 16,763	\$ 13,907	\$ 13,077	\$ 8,656	\$ 187,726
13	Default Service Adj Revenues														
14	Residential	440175	\$ 0,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0,688
15	Commercial	442455	1,254	-	-	-	-	-	-	-	-	-	-	-	1,254
16	Industrial	442465	0,215	-	-	-	-	-	-	-	-	-	-	-	0,215
17	Street Lighting	444075	(0,028)	-	-	-	-	-	-	-	-	-	-	-	(0,028)
18	Total Default Service Adjustment		\$ 2,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,129
19	Billed GWH Sales														
20	Retail Standard Offer Sales		760,450	681,911	682,916	608,227	553,366	576,820	679,254	737,296	664,700	612,393	589,080	701,563	7,848,975
21	Retail Default Service Sales		302,522	232,445	264,300	234,033	251,690	192,799	273,970	295,391	285,832	250,876	238,296	172,002	2,994,158
22	Retail Competitive Supplier Sales		225,471	257,554	292,081	309,695	259,324	325,842	366,338	363,658	362,537	373,698	374,451	343,603	3,854,253
23	Total Retail Sales		1,288,443	1,171,910	1,239,297	1,152,955	1,064,380	1,095,461	1,319,562	1,396,346	1,324,230	1,225,806	1,201,828	1,217,168	14,697,385

Boston Edison Company
Monthly Wholesale GWH Sales, Wholesale Sales as Percentage of Sales

Line	Wholesale Customer	Actual Jan-02	Actual Feb-02	Actual Mar-02	Actual Apr-02	Actual May-02	Actual Jun-02	Actual Jul-02	Actual Aug-02	Actual Sep-02	Actual Oct-02	Actual Nov-02	Actual Dec-02	Total
1	Reading	6,488	5,120	8,732	6,420	8,428	5,428	7,284	9,728	10,288	11,752	(0.012)	-	79,656
2	Concord	15,099	13,085	13,940	12,458	13,131	0,029	-	-	-	-	-	-	67,743
3	Wellesley	19,348	16,543	17,036	15,629	18,970	0,019	-	-	-	-	-	-	87,545
4	Braintree	6,587	6,328	7,185	5,731	4,482	3,262	3,536	10,052	8,887	7,459	7,774	8,321	79,603
5	MBTA	48,767	32,500	37,261	31,924	32,069	30,369	32,110	31,369	30,779	30,733	33,465	40,641	411,987
6	Massport	13,118	12,072	12,998	12,041	12,637	12,518	11,760	15,174	11,387	11,690	12,566	14,073	152,034
7	Total Wholesale	109,407	85,648	97,151	84,203	89,718	51,625	54,690	66,324	61,341	61,634	53,792	63,035	878,568
8	Retail Sales - SO [page 7, line 20]	760,450	681,911	682,916	609,227	553,366	576,820	679,254	737,296	664,700	612,393	589,080	701,563	7,848,975
9	Total Sales [line 7 + line 8]	869,857	767,558	780,067	693,430	643,084	628,445	733,944	803,619	726,041	674,027	642,873	764,598	8,727,543
10	Wholesale % [line 7 / line 9]	12.6%	11.2%	12.5%	12.1%	14.0%	8.2%	7.5%	8.3%	8.4%	9.1%	8.4%	8.2%	